

	PORT OF KLINKITAT BOARD OF COMMISSIONERS MEETING MINUTES September 5 , 2006 REGULAR SESSION	M = moved S = seconded MP = motion passed
TOPIC	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, & Wayne Vinyard; Port Counsel Teunis J. Wyers; Executive Director (Exec.D) Dianne Sherwood; AA\Bookkeeper Margie Ziegler and Minutes Secretary Peter Frothingham PC/Staff Absent: Rodger Ford Guests Present: Matt Riley (Rapid Readymix); Mike Canon (Economic Development Director Klickitat County); Lee Ast (Bingen Commercial Realtor); and Mike Smith (Dallesport)	Next Meeting: September 19 at 4:30 pm
<u>• EXECUTIVE SESSION- Personnel (30 minutes)</u>	Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, & Wayne Vinyard; Port Counsel Teunis J. Wyers and Executive Director (Exec.D) Dianne Sherwood	
<u>• PUBLIC COMMENT</u>	Mike Smith submitted a letter, requesting a joint meeting with the Board of County Commissioners & the Port Commissioners to discuss the Port Commission's 8/1/06 letter to the County Commissioners.	
<u>• COUNSEL'S REPORT</u>	Counsel Wyers discussed on-going projects: the Personnel Services Contract with SubTerra has been completed. The new tenant lease for the Mt. Home Biological space is underway, and work has continued on the Insitu and Dallesport Log Yard leases. The wastewater easement agreement has been clarified and approved by counsel.	
<u>ADMINISTRATIVE MATTERS</u> <u>• Consent Agenda</u> <u>August 1, 2006 minutes</u> <u>Vouchers</u> <u>Financial Report - April - July, 2006</u> <u>Trend Rept 2nd Qtr 2006</u> <u>Resolution 2-2006</u> <u>Resolution 3-2006</u> <u>Policy Guideline</u>	<p>Exec D Sherwood presented Resolutions 2-2006 (delegating authority - a name change from V. Drew to M. Ziegler) and 3-2006 (authorizing employee participation in deferred compensation through Dept. of Retirement System).</p> <p>Margie Ziegler presented the financials. Staff has gone over the July report line item by line item in order to determine what changes may be needed for a revised budget, due to staff changes, increases/decreases in costs and Building 1E and funding. The retained earnings figure is currently negative because the Port has not yet received grant & loan construction monies that are forthcoming.</p> <p>The Trend Report for the 2nd quarter was highlighted.</p> <p>Exec D Sherwood requested authorization to pay the construction bill of \$368,944.38, if necessary, prior to the next meeting. By consensus the Commissioners agreed.</p> <p>Exec D Sherwood said that there is a need to set policy regarding job standards for industrial development. She called attention to information obtained from the Port of The Dalles, regarding their standards. She asked for guidance from the Commission, with a recommendation of between 6 and 10 jobs per acre as the standard. Counsel Wyers pointed out that the Commission could vary from the policy on a case by case basis. Exec D Sherwood was concerned about encouraging projects which have below the recommended</p>	<p><i>PC Vinyard M PC Deo S a motion to approve the consent agenda as presented. MP</i></p> <p><i>PC Vinyard M and PC Deo S a motion to approve Resolutions 2-2006 and 3-2006 as presented. MP</i></p> <p><i>PC Vinyard M and PC Deo S a motion to adopt the August 30, 2006 guidelines for property development policy. MP</i></p>

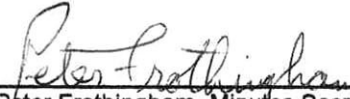
<p><u>PC Retreat -10-3-06</u></p>	<p>level of jobs per acre, if the Port Commission will at a much later point disapprove of moving a project forward. PC Deo said that he favors staying with a higher jobs per acre standard for shovel ready parcels. The Anderson project was discussed, where PC Deo asked whether a smaller number of acres could be made available initially. PC Vinyard agreed that it is hard to give up the developed parcels for so few jobs per acre. PC Deo said that he would be willing to go as low as 5 jobs per acre and PC Vinyard agreed. As a standard process, Counsel Wyers recommended that the Port should require a first right of refusal if the Port's property was sold. PC Vinyard suggested that the proposed policy be adopted and expressed the importance of being in line with other governmental entities in the area.</p> <p>Exec D Sherwood asked to set a date for a PC retreat. After possible dates were considered, the retreat will be held October 3 with consultants Fox & Hanke and Counsel Wyers. Staff will arrange for a place to hold the retreat.</p> <p>A public hearing is scheduled for September 19, 2006 to discuss a Revised 2006 Budget.</p>	
<p><u>EXECUTIVE DIRECTOR'S REPORT Bingen Point Building 1E Update</u></p> <p><u>Juniper Investments</u></p> <p><u>Plan 9 Lease Amendment</u></p>	<p>Building 1E is progressing well, as the slab and tilts have been poured. The tilts are curing and they plan to lift them on Friday if there is no wind. The steel building is scheduled to arrive on 9/11.</p> <p>Regarding the Insitu lease, the amount of the security deposit is the one remaining issue. RCWs call for a security deposit equal to one year's lease payments, unless specifically approved by the PC. For Bldg 1D the Port accepted 6 months and that was the recommendation of Exec D Sherwood, due to the building's anticipated annual debt service for Bldg 1E. Lee Ast requested that the security deposit be only one month's rent because of the amount that would be tied up reduces their available assets. Lee reported that Insitu has not had to pay as high security deposits in other locations it is leasing and that there will be tenant improvements in Bldg 1E before it is finished. Exec D Sherwood asked for acceptance of the proposed 6 month's security deposit with consideration of a negotiated acceptance of tenant improvements, if they occur, towards the security deposit. Counsel Wyers expressed the Port's concern that much of Insitu's business comes from government contracts, which may be unstable. Lee said that Insitu will use the money not put into the security deposit to create additional jobs. PC Deo said that other sources of income for Insitu would not be sufficient to make up for the government contracts if they were lost. PC Deo said that he is not in favor of reducing the security deposit to one month. Counsel Wyers suggested that the Port could agree in writing that the 6 months security deposit may be offset by tenant improvements in an amount to be determined, if approved by the PC.</p> <p>Bond pricing is anticipated to occur on September 19th.</p> <p>Exec D Sherwood presented the proposal by Juniper Investments to have a 30 year lease on ½ to 1 Acre of the west portion of lot 34, in which to build a 10,000 sf building. Half would be leased to the Port and half to another tenant. Exec D Sherwood asked whether the Commission would support the 30 year lease with 2 five year extensions. By consensus Exec D Sherwood is instructed to move forward.</p> <p>Plan 9 lease amendment beginning August 1, 2006 places its tenancy on a month to month basis, increases the rental rate by 3% plus the WA leasehold tax of 12.84%</p> <p>Mtn. Home will start to move October 1 and hopes to be out December 1. There is a tenant interested in</p>	<p><i>PC Vinyard moved and PC Deo S a motion to allow a 6 month security deposit, to be reduced by tenant improvements in an amount acceptable to the Port, and authorized Lee Ast, Exec D Sherwood, Counsel Wyers and Brad Dezurick to work out the details MP</i></p> <p><i>The lease agreement will be executed on 9/6/06.</i></p> <p><i>The agreement was signed.</i></p>

<p><u>Dallesport Ind. Park Sundoon Village Resort</u></p> <p><u>DNR correspondence</u></p> <p><u>Salt Cakes - DOE update</u></p> <p><u>Wastewater Easement</u></p>	<p>immediate occupancy.</p> <p>Exec D Sherwood attended a meeting with Sundoon Village Resort's developer (Steve Tessmer), owners Mr. & Mrs. Rose & their attorney, with PUD Commissioner Randy Knowles. Discussion pertained to potable water. Exec D Sherwood was glad the PUD was at the table to consider the entire Dallesport peninsula for a combined water system. No cost estimates have yet been provided from Sundoon Village, based on Kennedy Jenks' recommendations.</p> <p>Exec D. Sherwood has been working with Chris Johnson at Department of Natural Resources, regarding the aggregate pit (surface mining permit). DNR says the total disturbed area is 23.3 acres. The operator's statement on the submitted annual report was discussed.</p> <p>Exec D. Sherwood has been working with Bob Swackhammer (Dept. of Ecology - DOE) regarding the site evaluation at the Dallesport Industrial site relating to the saltcake landfill. The site assessment ranked the site as a 2 (out of 5, with a 1 being the highest risk), per Michael Spencer. Exec D Sherwood was surprised that the ranking was so high. Exec D Sherwood has asked for the analysis in order to see what factors led to the high rate. Bob Swackhammer has said that DOE is committed to a full cleanup of the site, 100% by DOE, but that funding issues may delay the completion for a couple of years.</p> <p>Exec D Sherwood recommends that the Commissioners sign the Wastewater Improvement Easement Agreement, as it has received Counsel Wyers' review and approval. (Signed by PC)</p>	
<p><u>MISCELLANEOUS Governor's Conference</u></p> <p><u>Committee Reports</u></p>	<p>Exec D Sherwood asked to attend the Governor's conference this Thursday. The Commission agreed that she should go.</p> <p>PC Deo asked Mike Canon to talk about his experience prior to coming to work as the EDC for Klickitat County. Mike stated that he worked for the UN in eastern Europe to facilitate those countries' participation in international trade. Mike also worked with private industry. His family brought Mike to the NW, and Goldendale was chosen as his place of residence for its climate.</p> <p>Airport meeting: PC Deo stated that not much happened at the meeting 2 weeks ago. Water for irrigating the Sundoon Village Resort golf course has been secured but domestic water has still not been settled for the clubhouse and residential development. Sundoon is interested in airport water but the airport water needs to be up and running before there can be discussions about its use--and that may not happen soon enough for Sundoon. The drag racing event was successful, although less so than last year.</p> <p>PC Vinyard reported there is an EDA meeting coming up on Sept 14. PC Ford attended the last meeting in his place.</p>	
<p><u>PUBLIC COMMENT</u></p>	<p>Matt suggested a sale of property with Anderson with a covenant calling for meeting the jobs requirement. Bill said that Anderson's potential for future development may meet the job standard.</p>	

ADJOURNMENT		PC Vinyard M to adjourn @ 6:36 PC Deo S MP
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Approved on: Sept 19, 2006
(Date)


Dianne Sherwood, Executive Director

Respectfully submitted 
Peter Frothingham, Minutes Secretary


Norm Deo, Chairman